



Belfast City Council

Report to:	Strategic Policy & Resources Committee
Subject:	Living Wage
Date:	25 April 2014
Reporting Officer:	Jill Minne, Assistant Chief Executive and Head of Human Resources
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1.0	Purpose
1.1	The purpose of this report is to update Members on progress towards becoming a living wage employer and propose how this can be implemented.

2.0	Relevant Background Information
2.1	<p>Members will be aware that, at the Strategic Policy and Resources Committee on 21 February 2014, a notice of motion was tabled regarding the Living Wage. It was agreed that the council would take action:</p> <ol style="list-style-type: none">1. To become a Living Wage employer, in consultation with staff and their representatives, and to revise upwards payment to those employees currently receiving below the living wage level;2. To include a commitment to include the Living Wage in all new employment contracts;3. To review the extent to which the council's Living Wage policy might be able to be applied to currently contracted-out services or as each contract comes up for renewal;4. To encourage other employers in Belfast to adopt a similar anti low-pay policy for their staff;5. To review the ratio between the lowest and the higher paid council officers; and6. To ensure that the appropriate Council Committee received reports on progress towards the above at least annually, and initially by April 2014. <p>This report deals with points 1, 2, 4 and 5 relating to the provision of a living wage for direct employees of the council. Point 3 is being taken forward by the Property and Projects Department.</p>

3.0	Key Issues
	<p data-bbox="233 129 821 163">Organisation pay structure and equal pay</p> <p data-bbox="150 197 1428 465">3.1 To meet Single Status and equal pay obligations, a fair and non-discriminatory pay structure applicable to all staff in the council, was introduced in July 2007. An equality-proofed job evaluation scheme was used to determine the grade of each job and the pay structure, based on narrow pay scales, each consisting of three or four spinal column points (SCPs), was developed. Each SCP has an associated salary value in keeping with the recognised National Joint Council (NJC) Local Government Services Scales. However, following the transfer of both local and central government staff into the council for local government reform there will be different pay and grading structures in operation.</p> <p data-bbox="150 499 1428 633">3.2 Work will now start on organisation design and restructuring and it is proposed that a review of the pay structure is carried out as part of that organisation work for the new council and supports future work to reduce and manage staff costs effectively as part of the efficiency programme.</p> <p data-bbox="150 667 1428 969">3.3 Best practice recommends that an equal pay review is conducted jointly between management and a trade union representative every three years. A joint review of basic pay was conducted during 2011, with an agreement that the next review would take place 2014/15. In order for the next equal pay review to be meaningful, it is proposed that this is delayed and carried out as part of the overall pay structure review when relevant employees will have transferred employment to the council on protected terms and conditions. A pay review conducted at this time would enable the council to identify and take steps to address equal pay issues which may arise as a result of different terms and conditions applying to different groups of staff.</p> <p data-bbox="233 1003 406 1037">Living wage</p> <p data-bbox="150 1070 1428 1440">3.4 The current living wage hourly rate is £7.65. Two pay grades on the current organisation pay structure have spinal column points (SPCs) which fall below the living wage hourly rate. These are grades 1B and 1C. Appendix one sets out the grades and hourly rates for these grades, the types of jobs affected and the number of staff currently in those roles. Staff on pay scale 1B will not have the potential to earn £7.65 per hour. Thirty-six staff, currently on scale 1B will be earning below the living wage at 1 April 2014. All staff on pay scale 1C have the potential to earn more than £7.65 per hour as the top point on this scale is £7.71 per hour and thirty-four have already reached SCP11. The remaining six will still be paid below the living wage at 1 April 2014. It should be noted that some staff are required to work weekends and at night and as a result receive additional allowances on top of their basic pay, increasing their overall wage to above living wage.</p> <p data-bbox="233 1473 638 1507">Casual workers and trainees</p> <p data-bbox="150 1541 1428 1843">3.5 A number of casual workers are currently paid at a rate below the living wage. Many of these casual workers work in Leisure and the Waterfront Hall and Members will be aware that both services are currently under review. It is therefore proposed that the implementation of a living wage for casual workers is considered as part of these reviews and as part of the overall pay structure review proposed to take as a result of the forthcoming organisation design work. (Members will also be aware that work is ongoing to develop a casual workers policy, which will include general principles on the use of casual workers, a procedure for the use of casual workers, their recruitment, terms of engagement and rates of pay etc).</p> <p data-bbox="150 1877 1428 1944">3.6 It is also proposed that Industrial Placements and Apprentices are excluded at this time due to the trainee nature of their employment status.</p> <p data-bbox="150 1977 1428 2045">3.7 Therefore forty-two staff in the council will earn less than the Living Wage at 1 April 2014. Proposals on how to deal with the forty-two staff are outlined below:</p>

3.8	In order to deal effectively with this issue it is proposed to redesign and re-evaluate grade 1B posts to grade 1C, assimilate all forty-two staff to SCP 11 and base weekend enhancement and night work where applicable, on the revised hourly rate. Approximate costs will be £56,000 per annum.
3.9	The cost has been calculated at a point in time and may change as people are newly appointed to the affected jobs. Figures will need to be verified by the Payroll unit and annual pay negotiations may also impact on these figures and decrease costs. Any voluntary redundancies resulting from ongoing reviews may also have an impact.
3.10	This proposed approach is in keeping with the Council's Single Status Agreement and will ensure that the value of the job reflects the duties of the post and is in line with the NJC local government scales. It will however, create a single point pay scale until the pay structure is fully reviewed and will require the job holders to agree to additional duties. A number of comparable jobs are already evaluated at grade 1C in other departments and the expected change in duties will be minimal.
3.11	The trade unions have agreed this approach in principle and if the approach is agreed by Members it is proposed that the increases should be implemented from the date of Council ratification.

4	Resource Implications
4.1	This initiative will involve additional annual expenditure of approximately £56 000 and can be funded from existing budgets.

5	Equality Implications
5.1	The approach recommended offers the most equitable solution for all staff and is in keeping with current pay agreement and policies.

6	Recommendations
	Members are asked to: <ul style="list-style-type: none"> • agree to a review of the pay structure aligned to the new organisation structure • agree to delaying the equal pay review to be carried out in conjunction with the full pay structure review • approve the above recommendations to progress implementation of the living wage for council staff .

7	Key to abbreviations
	LGR - Local Government Reform SCP - Spinal column point NJC - National Joint Council

Grades and hourly rates for grades 1B and 1C

Current grade	Spinal column point	Hourly rate
Scale 1B	5	£6.45
	6	£6.54
	7	£6.69
	8	£6.90
Scale 1C	8	£6.90
	9	£7.11
	10	£7.26
	*11	£7.71

- *the SCP 11 hourly rate is above the living wage rate
- post holders progress through the scale via annual pay increments

Jobs currently paying scale 1B and 1C and numbers of staff currently in post

Jobs in Scale1B (paying less than living wage)	Number currently in post
Cleaners in leisure centre	35
Cleaner in a play centre	1
Jobs in Scale 1C (40 staff) (with potential to pay less than living wage, i.e., SCP 8-10)	Number currently in post
Street sweepers	4
Refuse Collector	1
Messengers	2
Housekeepers	2
Car park Attendant	1
Zoo Crew	6
Cleaners in Facilities	24

NB At 1 April 2014, only 6 staff on Grade 1C will be being paid below the living wage rate as others have already reached SCP11.